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Targets on Bulgaria

REF : St/I Office Notice No.112, 9 April 1957

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Below is the S/CST contribution to the Targets on Bulgaria:

Objective II d

The strengths and weaknesses of the Soviet (including Satellite) economy, with particular reference to its ability to support a major war; the motivation, character, and magnitude of current economic development programs, their implementation and their effect upon the economic, political, and military strength of the Soviet Bloc; the capabilities and vulnerabilities of the Soviet and Satellite internal communications systems.

Background

The volume of capital investment affords the best available measure of the volume of construction in Bulgaria. Construction output is not reported either in absolute terms or as a percentage of the preceding year, and announcements of the volume of capital investment do not indicate the proportion of total investment accounted for by construction and installation work.

Throughout the postwar period there has been a tendency in Bulgaria to plan for investment construction beyond the capabilities of the construction industry, and investment plans have been consistently underfulfilled. Nevertheless, construction activity increased at least threefold between 1947 and 1955, despite such major shortcomings in the construction industry as faulty planning, poor organization of construction work, and a shortage of engineers, technicians, and skilled workers. Despite the inducement of relatively high wages for skilled construction workers, the construction industry has failed to attract a sufficient number of trainees to meet the growing needs for skilled cadres. A shortage of engineers, technicians, and skilled workers has been a major drawback to the construction industry, often resulting in delay, or even cancellation, of planned projects. This shortage has been offset to some extent, however, by rising labor productivity resulting from improved technology in construction. Greater mechanization and industrialization of construction work is the keynote of plans for increased

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SUBJECTS: [REDACTED] Targets on Bulgaria

construction output in future years. An intensive program for development of industrialized methods of construction using prefabricated elements is now under way, but the use of such methods has not yet reached significant proportions.

A basic deficiency in investment planning in the Satellites has been the tendency to underestimate the quantity of materials and labor inputs required for the construction of investment projects. It is also possible that investment plans are based on materials prices which do not reflect actual per unit costs of production. If this is the case, the reporting of construction plan fulfillment in value terms at plan prices understates the actual cost to society of investment projects and conceals failure to accomplish the planned physical volume of construction with allocated investment funds.

A. General

Basic Guidance

Economic plans, programs, plan fulfillment reports, significant failures and achievements; construction planning apparatus; effects of recent moves to decentralize control over planning and execution of construction activity.

Distribution of construction output among major economic sectors; the extent of military and defense construction and the impact on the over-all construction program; shortages of building materials, particularly cement; any evidence of cutbacks in housing, social, and cultural construction so that scarce construction resources can be diverted to industrial construction; developments in the production of prefabricated sections and large wall panels for housing and other construction, with particular reference to production of lightweight panels and completely prefabricated houses; progress in applying techniques of industrialized construction.

Methods of arriving at estimate prices for construction materials and manpower used in investment planning; actual costs of production of various building materials; prices at which materials are sold to construction enterprises and the basis for their determination; relationship of market prices to production costs and estimates, or plan prices; price basis used by the construction industry in reporting plan fulfillment, i.e., is plan fulfillment reported in terms of plan prices or does it reflect actual prices paid for inputs, where actual prices differ from plan prices.

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<u>No.</u>	<u>Targets</u>	<u>Location</u>
1.	<u>Classified version</u> of the Three Year Plan for 1958-60, yearly economic plans, budgets, and plan fulfillment reports.	Most likely to exist in offices of the ministries and the planning commission.
2.	<u>Classified directives</u> of the Ministry of Construction concerning methods of reporting of construction output and plan fulfillment.	Ministry of Construction, other investing ministries and offices of construction enterprises.
3.	<u>Classified directives</u> of the Ministry of Construction establishing prices of building materials and wage rates for specific types of labor.	Ministry of Construction, construction enterprises, building materials production enterprises.
4.	<u>Classified production</u> and financial records of enterprises producing building materials and their reports to the Ministry of Construction.	Ministry of Construction individual building materials enterprises.
5.	<u>Classified records</u> of construction enterprises, with particular reference to total wages and materials costs, and periodic reports submitted to the Ministry of Construction.	Ministry of Construction, individual construction enterprises.

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